## PROPERTY TAX

The following entities shall be defined as payers of the corporate property tax:

1) Legal entities of the Republic of Uzbekistan that have property on the territory of the Republic of Uzbekistan that is subject to taxation;

2) Legal entities - non-residents of the Republic of Uzbekistan owning immovable property on the territory of the Republic of Uzbekistan.

## Subject of taxation *(Article 410 of the Tax Code of Uzbekistan)*

The immovable property shall be defined as the subject of corporate property tax.

## Tax base *(Article 411 of the Tax Code of Uzbekistan)*

Average annual residual value of the immovable property shall be defined as the tax base.

Average annual residual value (average annual value) of taxable subjects shall be determined on cumulative basis as one twelfth of the amount received when adding up the residual values (average annual values) of taxable subjects as of the last day of each month of the tax period.

The tax base for immovable property objects of non-residents of Uzbekistan shall be determined on the basis of the value indicated in the documents confirming the ownership to these objects.

## Tax exemptions *(Article 414* of the Tax Code of Uzbekistan)

When calculating the tax, the tax base shall be reduced by the average annual residual value (average annual value) of:

1) Objects of culture and art, education, healthcare, physical culture and sports, and social security;

2) Property on the balance sheet of agricultural enterprises, used for production and storage of agricultural products, as well as for silkworm breeding.

The following entities shall be exempted from tax:

* 1. Legal entities, the only participants of which are public associations of persons with disabilities, where the total number of persons with disabilities is at least 50 percent, and the payroll of persons with disabilities is at least 50 percent of the total payroll;
	2. Producers of energy from renewable energy sources for installations of renewable energy sources (with nominal capacity of 0.1 MW and more), for a period of ten years from the moment they are put into operation.

These benefits shall not apply to vacant buildings, unused production areas, non-residential facilities, as well as unfinished construction objects on the basis of an opinion on their inefficient use issued in line with the procedure established by legislation.

## Tax rates *(Article 415 of the Tax Code of Uzbekistan)*

The tax rate shall be set at 2 percent.

The tax rate shall be set at 4 percent for construction facilities not completed within the normative period.

With regard to vacant buildings, unused production facilities, non-residential facilities, as well as unfinished construction objects, the corporate property tax shall be paid at increased tax rates on the basis of an opinion on their inefficient use issued according to the procedure established by legislation.

The tax rate shall be set at 0.2 percent with regard to following:

1) Railway tracks, transmission pipelines, communication and power transmission lines, as well as structures that constitute an integral technological part of these facilities;

2) Immovable property and unfinished construction objects for which the decision of the Cabinet of Ministers of the Republic of Uzbekistan on their conservation is adopted.

## Tax period shall be a calendar year. *(Article 415 of the Tax Code of Uzbekistan)*

## Procedure for submission of tax reporting and payment of tax *(Article 416 of the Tax Code of Uzbekistan)*

Tax reporting shall be submitted to a tax authority at the place of tax registration once a year within the period of submission of annual financial statements, and by legal entities - non-residents of the Republic of Uzbekistan by February 15 of the year following the reporting tax period.

During the tax period, taxpayers (with the exception of legal entities - non-residents of the Republic of Uzbekistan, not operating in the Republic of Uzbekistan through permanent establishments) shall pay current tax payments.

Current payments shall be paid:

By turnover tax payers – no later than by 10th day of the third month of each quarter in the amount of one fourth of the annual tax amount;

By taxpayers who are not the turnover tax payers – no later than by 10th day of each month in the amount of one twelfth of the annual tax amount.

Amount of tax due for the tax period – taking into account current payments – shall be paid to the budget no later than by deadline for submission of tax reporting.

Legal entities – non-residents of the Republic of Uzbekistan, not operating in the Republic of Uzbekistan through permanent establishments shall pay the tax no later than by February 15 of the year following the tax period.